

PROVISIONAL OUTTURN 2016/17

Cabinet - 15 June 2017

Report of: Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Finance Advisory Committee - 6 June 2017

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. John Scholey

Contact Officer Helen Martin Ext. 7483

Recommendation to Finance Advisory Committee: That the outturn report for 2016/17 be noted.

Recommendation to Cabinet: That the report be noted.

Introduction

- 1 Provisional Financial Outturn figures for 2016/17 are attached at Appendix A. These results will be presented to Cabinet at its meeting on 15 June 2017.
- 2 A favourable variance of £350,000 has been achieved. A summary of this variance, which represents is 2.5% of the net service expenditure budget, is given as Appendix A.
- 3 It was approved by Cabinet on 20 April 2017 that any favourable variances achieved on the 2016/17 budget be put into the Budget Stabilisation Reserve.
- 4 Revenue carry forward requests were considered at the previous meeting of this Advisory Committee and were approved by Cabinet.
- 5 A favourable variance of £392,000 has been included for retained business rates. This figure is higher than originally forecast, but is subject to external factors including appeals and also decisions by the Valuation Office which can be made late in the financial year making predictions more difficult. The budget for business rates is set at the safety net level which is an amount guaranteed to be retained.

- 6 Main reasons for the year end variances are given in the following paragraphs and detailed explanations are provided as Appendix B.

High Level Analysis of Variances relating to the Property Investment Strategy

- 7 Property Investment Strategy Income - this represents income derived from the acquisitions of commercial property in Sevenoaks and Swanley. The net income from acquisitions to date are £80,000 less than originally budgeted for 2016/17, due to refurbishment works and a rent free period awarded at the start of a new ten year lease which will result in additional income over the 10-year budget period.
- 8 Car Park income is currently below budget and forecast to be £66,000 worse than budget for 16/17. Bradbourne Car Park closed in August and this has resulted in loss of income; however on street parking has delivered increased income.
- 9 Business Rates have been paid for two properties in Swanley that we are holding for future development and this has given rise to an unfavourable variance of £47,000.
- 10 Council on 22 February agreed a supplementary estimate of £210,000 to cover these short term revenue consequences arising from the Property Investment Strategy, noting that additional income over the 10 year budget period would more than compensate for these additional costs.

Key Implications

Financial

There are no financial implications arising from this report

Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972, the section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

- 11 Both Members and Officers were fully aware that 2016/17 would be an extremely challenging year. However, in the light of the financial pressures arising during the year, it is pleasing to report to Members a positive year end position.

- 12 The outturn position could not have been achieved without the commitment and hard work of both Members and Officers.
- 13 The 2017/18 budget includes savings totalling £0.344m. Achieving this continuing level of savings whilst managing the financial risks will require continued close and proactive financial management during 2017/18.

Risk Assessment Statement

- 14 These results are still provisional and may change due to issues arising from the closure of the Council's accounts, which will be completed by 30 June 2017.

Appendices

Appendix A - Outturn Summary

Appendix B - Explanation of variances

Background Papers

See appendices

Adrian Rowbotham

Chief Finance Officer